

Union Calendar No. 262

108TH CONGRESS
2D SESSION

H. R. 3818

[Report No. 108–459]

To amend the Foreign Assistance Act of 1961 to improve the results and accountability of microenterprise development assistance programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 2004

Mr. SMITH of New Jersey (for himself, Mr. HYDE, Mr. LANTOS, Mr. ROHR-ABACHER, Mr. BELL, Mr. GREEN of Texas, Ms. ROS-LEHTINEN, Mr. PAYNE, Mr. PITTS, Ms. HARRIS, Mr. DICKS, Mr. SANDERS, Mr. SMITH of Washington, Mr. BAIRD, Mr. FALEOMAVAEGA, and Mr. BROWN of Ohio) introduced the following bill; which was referred to the Committee on International Relations

APRIL 2, 2004

Additional sponsors: Mr. WALSH, Mr. LAMPSON, Mr. ANDREWS, Mr. WAXMAN, Mrs. JO ANN DAVIS of Virginia, Mr. HOUGHTON, Mr. DAVIS of Florida, Mr. McDERMOTT, Mr. EDWARDS, Mr. ROTHMAN, Ms. MCCOLLUM, Mr. BERMAN, Mrs. TAUSCHER, Mr. UDALL of New Mexico, Ms. LEE, Mr. INSLEE, Mr. MORAN of Virginia, Mr. BLUMENAUER, Mr. HUNTER, Mr. FILNER, Mr. PENCE, Mr. BEREUTER, Mr. GILLMOR, Mr. WELDON of Florida, Mr. FARR, Mr. GEORGE MILLER of California, Mr. TANCREDO, Mr. WEXLER, Mr. DELAHUNT, Mr. LINCOLN DIAZ-BALART of Florida, Mrs. NAPOLITANO, Mr. DOGGETT, Mr. LARSEN of Washington, Mr. GREENWOOD, Mr. MOORE, Mr. MEEKS of New York, Mr. SULLIVAN, Ms. CARSON of Indiana, Mr. SMITH of Texas, Mr. HOLT, Ms. DUNN, Mr. SHAYS, Mr. WILSON of South Carolina, Mr. FROST, Mr. WOLF, Mr. CARSON of Oklahoma, Mr. EVANS, Mr. LEACH, Mr. SAXTON, Mr. MEEK of Florida, Mr. MATHESON, Mr. HOEFFEL, Ms. MAJETTE, Ms. SLAUGHTER, Mrs. DAVIS of California, Mr. PALLONE, Mr. SPRATT, Ms. CORRINE BROWN of Florida, Mr. SABO, Mr. DEUTSCH, Mr. MENENDEZ, Mr. ACKERMAN, Ms. HOOLEY of Oregon, Mr. HASTINGS of Florida, Mr. FRANK of Massachusetts, and Mr. TOM DAVIS of Virginia

APRIL 2, 2004

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 24, 2004]

A BILL

To amend the Foreign Assistance Act of 1961 to improve
the results and accountability of microenterprise develop-
ment assistance programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Microenterprise Results*
5 *and Accountability Act of 2004”.*

6 **SEC. 2. FINDINGS AND POLICY.**

7 *Congress finds and declares the following:*

8 *(1) Congress has demonstrated its support for*
9 *microenterprise development assistance programs*
10 *through the enactment of two comprehensive micro-*
11 *enterprise laws:*

12 *(A) The Microenterprise for Self-Reliance*
13 *Act of 2000 (title I of Public Law 106–309; 114*
14 *Stat. 1082).*

15 *(B) Public Law 108–31 (an Act entitled*
16 *“An Act to amend the Microenterprise for Self-*

1 *Reliance Act of 2000 and the Foreign Assistance*
2 *Act of 1961 to increase assistance for the poorest*
3 *people in developing countries under microenter-*
4 *prise assistance program under those Acts, and*
5 *for other purposes”, approved June 17, 2003).*

6 *(2) The United States Agency for International*
7 *Development, the agency responsible for implementing*
8 *microenterprise development assistance programs au-*
9 *thorized under sections 108 and 131 of the Foreign*
10 *Assistance Act of 1961 (22 U.S.C. 2151f and 2152a),*
11 *is not presently organized to adequately coordinate,*
12 *implement, and monitor such programs, as evidenced*
13 *by the late submission by the Agency of the report re-*
14 *quired by section 108 of the Microenterprise for Self-*
15 *Reliance Act of 2000.*

16 *(3) The Comptroller General, in a report dated*
17 *November 2003, found that the United States Agency*
18 *for International Development has met some, but not*
19 *all, of the key objectives of such microenterprise devel-*
20 *opment assistance programs.*

21 *(4) The Comptroller General’s report found,*
22 *among other things, the following:*

23 *(A) Microenterprise development assistance*
24 *generally can help alleviate some impacts of pov-*
25 *erty, improve income levels and quality of life*

1 *for borrowers and provide poor individuals,*
2 *workers, and their families with an important*
3 *coping mechanism.*

4 *(B) Although studies and academic analyses*
5 *funded by the United States Agency for Inter-*
6 *national Development have found that micro-*
7 *enterprise activities generally serve the poor clus-*
8 *tered around the poverty line, few loans appear*
9 *to be reaching the very poor.*

10 *(C) Microenterprise development assistance*
11 *programs of the United States Agency for Inter-*
12 *national Development have encouraged women's*
13 *participation in microfinance projects and, ac-*
14 *cording to data of the Agency, women have com-*
15 *prised two-thirds or more of the micro-loan cli-*
16 *ents in Agency-funded microenterprise projects*
17 *since 1997.*

18 *(5)(A) The Comptroller General's report rec-*
19 *ommends that the Administrator of the United States*
20 *Agency for International Development review the*
21 *Agency's "microenterprise results reporting" system*
22 *with the goal of ensuring that its annual reporting is*
23 *complete and accurate.*

24 *(B) Specifically, the Administrator should re-*
25 *view and reconsider the methodologies used for the*

1 *collection, analysis, and reporting of data on annual*
2 *spending targets, outreach to the very poor, sustain-*
3 *ability of microfinance institutions, and the contribu-*
4 *tion of Agency’s funding to the institutions it sup-*
5 *ports.*

6 **SEC. 3. MICROENTERPRISE DEVELOPMENT ASSISTANCE.**

7 *Chapter 2 of part I of the Foreign Assistance Act of*
8 *1961 (22 U.S.C. 2166 et seq.) is amended by inserting after*
9 *title V the following new title:*

10 **“TITLE VI—MICROENTERPRISE DEVELOPMENT**
11 **ASSISTANCE**

12 **“SEC. 251. FINDINGS AND POLICY.**

13 *“Congress finds and declares the following:*

14 *“(1) Access to financial services and the develop-*
15 *ment of microenterprise are vital factors in the stable*
16 *growth of developing countries and in the development*
17 *of free, open, and equitable international economic*
18 *systems.*

19 *“(2) It is therefore in the best interest of the*
20 *United States to facilitate access to financial services*
21 *and assist the development of microenterprise in de-*
22 *veloping countries.*

23 *“(3) Access to financial services and the develop-*
24 *ment of microenterprises can be supported by pro-*
25 *grams providing credit, savings, training, technical*

1 *assistance, business development services, and other fi-*
2 *nancial services.*

3 “(4) *Given the relatively high percentage of pop-*
4 *ulations living in rural areas of developing countries,*
5 *and the combined high incidence of poverty in rural*
6 *areas and growing income inequality between rural*
7 *and urban markets, microenterprise programs should*
8 *target both rural and urban poor.*

9 “(5) *Microenterprise programs have been success-*
10 *ful and should continue to empower vulnerable*
11 *women in the developing world. Such programs*
12 *should take into account the risks faced by women*
13 *who are potential victims of severe forms of traf-*
14 *ficking and the need for assistance for women who be-*
15 *come victims of severe forms of trafficking, as pro-*
16 *vided for in section 106(a)(1) of the Trafficking Vic-*
17 *tims Protection Act of 2000 (22 U.S.C. 7104(a)(1);*
18 *Public Law 106–386).*

19 “(6) *Given that microenterprise programs have*
20 *been successful in empowering disenfranchised groups*
21 *such as women, microenterprise programs should also*
22 *target populations disenfranchised due to race or eth-*
23 *nicity in countries where a strong relationship be-*
24 *tween poverty and race or ethnicity has been dem-*
25 *onstrated, such as countries in Latin America.*

1 **“SEC. 252. AUTHORIZATION; IMPLEMENTATION; TARGETED**
2 **ASSISTANCE.**

3 “(a) *AUTHORIZATION.*—*The President is authorized to*
4 *provide assistance on a grant basis for programs in devel-*
5 *oping countries to increase the availability of credit, sav-*
6 *ings, and other services to microenterprises lacking full ac-*
7 *cess to capital, training, technical assistance, and business*
8 *development services, through—*

9 “(1) *grants to microfinance institutions for the*
10 *purpose of expanding the availability of credit, sav-*
11 *ings, and other financial services to microentreprise*
12 *clients;*

13 “(2) *grants to microenterprise institutions for*
14 *the purpose of training, technical assistance, and*
15 *business development services for microenterprises to*
16 *enable them to make better use of credit, to better*
17 *manage their enterprises, to conduct market analysis*
18 *and product development for expanding domestic and*
19 *international sales, particularly to United States*
20 *markets, and to increase their income and build their*
21 *assets;*

22 “(3) *capacity-building for microenterprise insti-*
23 *tutions in order to enable them to better meet the*
24 *credit, savings, and training needs of microentreprise*
25 *clients; and*

1 “(4) *policy and regulatory programs at the*
2 *country level that improve the environment for*
3 *microentreprise clients and microenterprise institu-*
4 *tions that serve the poor and very poor.*

5 “(b) *IMPLEMENTATION.—*

6 “(1) *OFFICE OF MICROENTERPRISE DEVELOP-*
7 *MENT.—*

8 “(A) *ESTABLISHMENT.—There is estab-*
9 *lished within the Agency an Office of Microenter-*
10 *prise Development, which shall be headed by a*
11 *Director who shall be appointed by the Adminis-*
12 *trator and who should possess technical expertise*
13 *and ability to offer leadership in the field of*
14 *microenterprise development.*

15 “(B) *DUTIES.—The Office shall coordinate*
16 *and be responsible for the provision of assistance*
17 *under this title.*

18 “(2) *ASSISTANCE THROUGH GRANTS TO ELIGI-*
19 *BLE ORGANIZATIONS.—Assistance under subsection*
20 *(a) shall be provided through grants executed, ap-*
21 *proved, or reviewed by the Office to eligible imple-*
22 *menting partner organizations that have a capacity*
23 *to develop and implement microenterprise programs.*

24 “(3) *REVIEW AND APPROVAL.—With respect to*
25 *assistance under subsection (a) that is furnished*

1 *through field missions of the Agency, the Office shall*
2 *be responsible for—*

3 “(A) *reviewing or approving each grant*
4 *agreement prior to obligation of funds under the*
5 *agreement in order to ensure that activities to be*
6 *carried out using such funds are efficacious,*
7 *technically sound, and suitable for the economic*
8 *and security climate of the country or region*
9 *where the activities will be conducted; and*

10 “(B) *approving microenterprise develop-*
11 *ment components of strategic plans of missions,*
12 *bureaus, and offices of the Agency.*

13 “(c) *TARGETED ASSISTANCE.—In carrying out sus-*
14 *tainable poverty-focused programs under subsection (a), 50*
15 *percent of all microenterprise resources shall be targeted to*
16 *very poor clients, defined as those individuals living in the*
17 *bottom 50 percent below the poverty line as established by*
18 *the national government of the country. Specifically, such*
19 *resources shall be used for—*

20 “(1) *support of programs under this section*
21 *through practitioner institutions that—*

22 “(A) *provide credit and other financial*
23 *services to clients who are very poor, with loans*
24 *in 1995 United States dollars of—*

1 “(i) \$1,000 or less in the Europe and
2 Eurasia region;

3 “(ii) \$400 or less in the Latin America
4 region; and

5 “(iii) \$300 or less in the rest of the
6 world; and

7 “(B) can cover their costs in a reasonable
8 time period; or

9 “(2) demand-driven business development pro-
10 grams that achieve reasonable cost recovery that are
11 provided to clients holding poverty loans (as defined
12 by the regional poverty loan limitations in paragraph
13 (1)(A)), whether they are provided by microfinance
14 institutions or by specialized business development
15 services providers.

16 “(d) *SUPPORT FOR CENTRAL MECHANISMS.*—The Ad-
17 ministrator should increase the use of central mechanisms
18 through microenterprise, microfinance, and practitioner in-
19 stitutions in the implementation of this title.

20 **“SEC. 253. MONITORING SYSTEM.**

21 “(a) *ESTABLISHMENT.*—In order to maximize the sus-
22 tainable development impact of assistance authorized under
23 section 252(a), the Administrator of the Agency, acting
24 through the Director of the Office, shall establish a moni-
25 toring system that meets the requirements of subsection (b).

1 “(b) *REQUIREMENTS.*—*The requirements referred to in*
 2 *subsection (a) are the following:*

3 “(1) *The monitoring system establishes perform-*
 4 *ance goals for the assistance and expresses such goals*
 5 *in an objective and quantifiable form, to the extent*
 6 *feasible.*

7 “(2) *The monitoring system establishes perform-*
 8 *ance indicators to be used in measuring or assessing*
 9 *the achievement of the performance goals described in*
 10 *paragraph (1) and the objectives of the assistance au-*
 11 *thorized under section 252.*

12 “(3) *The monitoring system provides a basis for*
 13 *recommendations for adjustments to the assistance to*
 14 *enhance the sustainability and the impact of the as-*
 15 *sistance, particularly the impact of such assistance on*
 16 *the very poor, particularly poor women.*

17 “(4) *The monitoring system adopts the wide-*
 18 *spread use of proven and effective poverty assessment*
 19 *tools to successfully identify the very poor and ensure*
 20 *that they receive adequate access to microenterprise*
 21 *loans, savings, and assistance.*

22 **“SEC. 254. DEVELOPMENT AND CERTIFICATION OF POV-**
 23 **ERTY MEASUREMENT METHODS; APPLICA-**
 24 **TION OF METHODS.**

25 “(a) *DEVELOPMENT AND CERTIFICATION.*—

1 “(1) *IN GENERAL.*—*The Administrator of the*
2 *Agency, in consultation with microenterprise institu-*
3 *tions and other appropriate organizations, shall de-*
4 *velop no fewer than two low-cost methods for eligible*
5 *implementing partner organizations to use to assess*
6 *the poverty levels of their current or prospective cli-*
7 *ents. The Administrator shall develop poverty indica-*
8 *tors that correlate with the circumstances of the very*
9 *poor.*

10 “(2) *FIELD TESTING.*—*The Administrator shall*
11 *field-test the methods developed under paragraph (1).*
12 *As part of the testing, institutions and programs may*
13 *use the methods on a voluntary basis to demonstrate*
14 *their ability to reach the very poor.*

15 “(3) *CERTIFICATION.*—*Not later than October 1,*
16 *2004, the Administrator shall, from among the low-*
17 *cost poverty measurement methods developed under*
18 *paragraph (1), certify no fewer than two such meth-*
19 *ods as approved methods for measuring the poverty*
20 *levels of current or prospective clients of microenter-*
21 *prise institutions for purposes of assistance under sec-*
22 *tion 252.*

23 “(b) *APPLICATION.*—*The Administrator shall require*
24 *that, with reasonable exceptions, all eligible implementing*
25 *partner organizations applying for microenterprise assist-*

1 *ance under this title use one of the certified methods, begin-*
 2 *ning not later than October 1, 2005, to determine and re-*
 3 *port the poverty levels of current or prospective clients.*

4 **“SEC. 255. AUTHORIZATION OF APPROPRIATIONS; ADDI-**
 5 **TIONAL AUTHORITIES.**

6 “(a) *AUTHORIZATION OF APPROPRIATIONS.—There*
 7 *are authorized to be appropriated to the President to carry*
 8 *out this subtitle \$200,000,000 for fiscal year 2005 and such*
 9 *sums as may be necessary for fiscal year 2006.*

10 “(b) *ADDITIONAL AUTHORITIES.—(1) Amounts appro-*
 11 *priated pursuant to the authorization of appropriations*
 12 *under subsection (a)—*

13 “(A) *may be referred to as the ‘Microenterprise*
 14 *Development Assistance Account’;*

15 “(B) *shall be allocated to the Office, and upon*
 16 *approval by the Director of the Office, may be reallo-*
 17 *cated to field missions of the Agency in furtherance*
 18 *of the purposes of this title;*

19 “(C) *are authorized to remain available until ex-*
 20 *pended; and*

21 “(D) *are in addition to amounts otherwise avail-*
 22 *able for such purposes.*

23 “(2) *Notwithstanding any other provision of law,*
 24 *amounts made available for assistance for microenterprise*
 25 *development assistance under any provision of law other*

1 *than this title may be provided to further the purposes of*
 2 *this title. To the extent assistance described in the preceding*
 3 *sentence is provided in accordance with such sentence, the*
 4 *Administrator of the Agency shall include, as part of the*
 5 *report required under section 258, a detailed description of*
 6 *such assistance and, to the extent applicable, the informa-*
 7 *tion required by paragraphs (1) through (10) of subsection*
 8 *(b) of such section with respect to such assistance.”.*

9 **SEC. 4. MICROENTERPRISE DEVELOPMENT CREDITS.**

10 (a) *TRANSFER.*—*Section 108 of the Foreign Assistance*
 11 *Act of 1961 (22 U.S.C. 2151f) is hereby—*

12 (1) *transferred from chapter 1 of part I of the*
 13 *Foreign Assistance Act of 1961 to title VI of chapter*
 14 *2 of part I of such Act (as added by section 3 of this*
 15 *Act); and*

16 (2) *inserted after section 255 of the Foreign As-*
 17 *sistance Act of 1961.*

18 (b) *REDESIGNATION.*—*Title VI of chapter 2 of part I*
 19 *of the Foreign Assistance Act of 1961 is amended by redesign-*
 20 *ating section 108 (as added by subsection (a)) as section*
 21 *256.*

22 (c) *CONFORMING AMENDMENTS.*—*Title VI of chapter*
 23 *2 of part I of the Foreign Assistance Act of 1961 is amend-*
 24 *ed—*

1 (1) *by inserting after the title heading the fol-*
 2 *lowing:*

3 *“Subtitle A—Grant Assistance”;*

4 (2) *by inserting after section 255 the following:*

5 *“Subtitle B—Credit Assistance”; and*

6 (3) *in section 256 (as redesignated by subsection*
 7 *(b))—*

8 *(A) in the matter preceding paragraph (1)*
 9 *of subsection (c), by striking “Administrator of*
 10 *the agency primarily responsible for admin-*
 11 *istering this part” and inserting “Administrator*
 12 *of the Agency”; and*

13 *(B) in subsection (f)(1)—*

14 *(i) by striking “section 131” and in-*
 15 *serting “this part”; and*

16 *(ii) by striking “2001 through 2004”*
 17 *and inserting “2005 and 2006”.*

18 **SEC. 5. UNITED STATES MICROFINANCE LOAN FACILITY.**

19 (a) *TRANSFER.—Section 132 of the Foreign Assistance*
 20 *Act of 1961 (22 U.S.C. 2152b) is hereby—*

21 (1) *transferred from chapter 1 of part I of the*
 22 *Foreign Assistance Act of 1961 to title VI of chapter*
 23 *2 of part I of such Act (as added by section 3 of this*
 24 *Act); and*

1 (2) *inserted after section 256 of the Foreign As-*
 2 *istance Act of 1961 (as added by section 4 of this*
 3 *Act).*

4 (b) *REDESIGNATION.*—*Title VI of chapter 2 of part I*
 5 *of the Foreign Assistance Act of 1961 is amended by redesign-*
 6 *ating section 132 (as added by subsection (a)) as section*
 7 *257.*

8 (c) *CONFORMING AMENDMENTS.*—*Title VI of chapter*
 9 *2 of part I of the Foreign Assistance Act of 1961 is amend-*
 10 *ed—*

11 (1) *by inserting after section 256 the following:*
 12 *“Subtitle C—United States Microfinance Loan Facility”;*
 13 *and*

14 (2) *in section 257 (as redesignated by subsection*
 15 *(b))—*

16 (A) *in subsection (b)(3), by striking “2001*
 17 *and 2002” and inserting “2005 and 2006”;*

18 (B) *in the matter preceding subparagraph*
 19 *(A) of subsection (d)(1), by striking “the fiscal*
 20 *year 2001” and inserting “each of the fiscal*
 21 *years 2005 and 2006”; and*

22 (C) *by striking subsection (e).*

23 **SEC. 6. MISCELLANEOUS PROVISIONS.**

24 *Title VI of chapter 2 of part I of the Foreign Assistance*
 25 *Act of 1961 (as added by section 3 of this Act and amended*

1 *by sections 4 and 5 of this Act) is further amended by add-*
 2 *ing at the end the following new subtitle:*

3 *“Subtitle D—Miscellaneous Provisions*

4 **“SEC. 258. REPORT.**

5 *“(a) IN GENERAL.—Not later than December 31, 2005,*
 6 *and each December 31 thereafter, the Administrator of the*
 7 *Agency shall submit to the appropriate congressional com-*
 8 *mittees a report that contains a detailed description of the*
 9 *implementation of this title for the previous fiscal year.*

10 *“(b) CONTENTS.—The report shall contain the fol-*
 11 *lowing:*

12 *“(1) The number of grants provided under sec-*
 13 *tion 252, with a listing of—*

14 *“(A) the amount of each grant;*

15 *“(B) the name of each implementing part-*
 16 *ner organization; and*

17 *“(C) a listing of the number of countries re-*
 18 *ceiving assistance authorized by sections 252.*

19 *“(2) The results of the monitoring system re-*
 20 *quired under section 253.*

21 *“(3) The process of developing and applying pov-*
 22 *erty assessment procedures required under section*
 23 *254.*

24 *“(4) The percentage of assistance furnished*
 25 *under section 252 that was allocated to the very poor*

1 *based on the data collected using the certified methods*
2 *required by section 254.*

3 “(5) *The absolute number of the very poor*
4 *reached with assistance furnished under section 252.*

5 “(6) *The amount of assistance provided under*
6 *section 252 through central mechanisms.*

7 “(7) *The name of each country that receives as-*
8 *istance under section 256 and the amount of such as-*
9 *sistance.*

10 “(8) *An estimate of the percentage of bene-*
11 *ficiaries of assistance under this title who are women,*
12 *including, to the extent practicable, the percentage of*
13 *these women who have been victims of sex trafficking,*
14 *as well as information on efforts to provide assistance*
15 *under this title to women who have been victims of*
16 *severe forms of trafficking or who were previously in-*
17 *volved in prostitution.*

18 “(9) *Any additional information relating to the*
19 *provision of assistance authorized by this title, in-*
20 *cluding the use of the poverty measurement tools re-*
21 *quired by section 254, or additional information on*
22 *assistance provided by the United States to support*
23 *microenterprise development under this title or any*
24 *other provision of law.*

1 “(10) *An estimate of the percentage of bene-*
 2 *ficiaries of assistance under this title in countries*
 3 *where a strong relationship between poverty and race*
 4 *or ethnicity has been demonstrated.*

5 “(c) *LIMITATION.—The content of the report required*
 6 *by this section shall be produced by the Office established*
 7 *under section 252(b)(1), and shall be made available for free*
 8 *electronic distribution through such Office.*

9 **“SEC. 259. DEFINITIONS.**

10 *“ In this title:*

11 “(1) *ADMINISTRATOR.—The term ‘Adminis-*
 12 *trator’ means the Administrator of the Agency.*

13 “(2) *AGENCY.—The term ‘Agency’ means the*
 14 *United States Agency for International Development.*

15 “(3) *APPROPRIATE CONGRESSIONAL COMMIT-*
 16 *TEES.—The term ‘appropriate congressional commit-*
 17 *tees’ means the Committee on International Relations*
 18 *of the House of Representatives and the Committee on*
 19 *Foreign Relations of the Senate.*

20 “(4) *BUSINESS DEVELOPMENT SERVICES.—The*
 21 *term ‘business development services’ means support*
 22 *for the growth of microenterprises through training,*
 23 *technical assistance, marketing assistance, improved*
 24 *production technologies, and other related services.*

1 “(5) *DIRECTOR*.—The term ‘Director’ means the
2 *Director of the Office.*

3 “(6) *ELIGIBLE IMPLEMENTING PARTNER ORGANI-*
4 *ZATION*.—The term ‘eligible implementing partner or-
5 *ganization’ means an entity eligible to receive assist-*
6 *ance under this title which is—*

7 “(A) *a United States or an indigenous pri-*
8 *vate voluntary organization;*

9 “(B) *a United States or an indigenous cred-*
10 *it union;*

11 “(C) *a United States or an indigenous co-*
12 *operative organization;*

13 “(D) *an indigenous governmental or non-*
14 *governmental organization;*

15 “(E) *a microenterprise institution;*

16 “(F) *a microfinance institution; or*

17 “(G) *a practitioner institution.*

18 “(7) *MICROENTERPRISE INSTITUTION*.—The term
19 ‘*microenterprise institution*’ means a not-for-profit
20 entity that provides services, including microfinance,
21 training, or business development services, for
22 microentreprise clients in foreign countries.

23 “(8) *MICROFINANCE INSTITUTION*.—The term
24 ‘*microfinance institution*’ means a not-for-profit enti-
25 ty or a regulated financial intermediary that directly

1 provides, or works to expand, the availability of cred-
2 it, savings, and other financial services to
3 microentreprise clients in foreign countries.

4 “(9) *MICROFINANCE NETWORK*.—The term
5 ‘microfinance network’ means an affiliated group of
6 practitioner institutions that provides services to its
7 members, including financing, technical assistance,
8 and accreditation, for the purpose of promoting the fi-
9 nancial sustainability and societal impact of micro-
10 enterprise assistance.

11 “(10) *OFFICE*.—The term ‘Office’ means the Of-
12 fice of Microenterprise Development established under
13 section 252(b)(1).

14 “(11) *PRACTITIONER INSTITUTION*.—The term
15 ‘practitioner institution’ means a not-for-profit entity
16 or a regulated financial intermediary, including a
17 microfinance network, that provides services, includ-
18 ing microfinance, training, or business development
19 services, for microentreprise clients, or provides assist-
20 ance to microenterprise institutions in foreign coun-
21 tries.

22 “(12) *PRIVATE VOLUNTARY ORGANIZATION*.—The
23 term ‘private voluntary organization’ means a not-
24 for-profit entity that—

1 “(A) engages in and supports activities of
2 an economic or social development or humani-
3 tarian nature for citizens in foreign countries;
4 and

5 “(B) is incorporated as such under the laws
6 of the United States, including any of its states,
7 territories or the District of Columbia, or of a
8 foreign country.

9 “(13) UNITED STATES-SUPPORTED MICRO-
10 FINANCE INSTITUTION.—The term ‘United States-sup-
11 ported microfinance institution’ means a financial
12 intermediary that has received funds made available
13 under this part for fiscal year 1980 or any subsequent
14 fiscal year.

15 “(14) VERY POOR.—The term ‘very poor’ means
16 those individuals—

17 “(A) living in the bottom 50 percent below
18 the poverty line established by the national gov-
19 ernment of the country in which those individ-
20 uals live; or

21 “(B) living on less than the equivalent of \$1
22 per day.”.

1 **SEC. 7. REPEALS.**

2 (a) *FOREIGN ASSISTANCE ACT OF 1961*.—Section 131
3 of the *Foreign Assistance Act of 1961* (22 U.S.C. 2152a)
4 is hereby repealed.

5 (b) *PUBLIC LAW 108–31*.—

6 (1) *IN GENERAL*.—Section 4 of *Public Law 108–*
7 *31* (22 U.S.C. 2151f note) is amended by striking sub-
8 section (b).

9 (2) *CONFORMING AMENDMENT*.—Section 4 of
10 *Public Law 108–31* is amended by striking “(a)” and
11 all that follows through “Not later” and inserting
12 “Not later”.

13 **SEC. 8. REFERENCES.**

14 Any reference in a law, regulation, agreement, or other
15 document of the United States to section 108, 131, or 132
16 of the *Foreign Assistance Act of 1961* shall be deemed to
17 be a reference to subtitle B of title VI of chapter 2 of part
18 I of the *Foreign Assistance Act of 1961*, subtitle A of title
19 VI of chapter 2 of part I of such Act, or subtitle C of title
20 VI of chapter 2 of part I of such Act, respectively.

Union Calendar No. 262

108TH CONGRESS
2^D Session

H. R. 3818

[Report No. 108-459]

A BILL

To amend the Foreign Assistance Act of 1961 to improve the results and accountability of micro-enterprise development assistance programs, and for other purposes.

APRIL 2, 2004

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed